

**REMARKS/ARGUMENTS**

In light of the above amendments and remarks to follow, reconsideration and allowance of this application are respectfully requested.

Claims 1-5, 41-43, 45-46, and 48-52 remain in this application. Claims 44 and 47 are canceled.

Claims 1, 4, 41, and 45 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Stefik et al. (U.S. Patent 6,233,684; "Stefik I"). Claims 2-3, 5, 42-44, 46-52 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Stefik I in view of Stefik et al. (U.S. Patent 5,629,980; "Stefik II").

Applicants respectfully disagree with the Examiner's assertion that it would be obvious to transfer use history information when a certain number is reached. (Office Action page 3) Regardless, Applicants have replaced the potentially broad term "transfer" with the potentially narrower term "send". Accordingly, the present claims have been amended to recite "send[ing] the use history information to the external device through the communication unit when an accumulation of uses of the digital data reaches a preset value." (Claim 1; Claims 4, 41, and 45 contain similar limitations) In this manner, the present invention sets a requirement for when the accumulated history information is sent. Although Stefik I and Stefik II do disclose the use of a "watermark" and a "copy count," they do not disclose or suggest when and how the watermark and/or copy count are used (or sent). Moreover, it would not be obvious to do so. Accordingly, Stefik I and Stefik II fail to meet all of the limitations of the present claims and the rejected claims should now be allowed.

In view of the above, each of the presently pending claims in this application is believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue.

If, however, for any reason the Examiner does not believe that such action can be taken at this time, it is respectfully requested that he/she telephone applicant's attorney at (908) 654-5000 in order to overcome any additional objections which he might have.

If there are any additional charges in connection with this requested amendment, the Examiner is authorized to charge Deposit Account No. 12-1095.

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Respectfully submitted,

By 

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